



# **Sime Darby Plantation Berhad**

Migrant Worker Responsible Recruitment Procedure



<b>Policy Instrument Control Table</b>											
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## **1. STATEMENT OF PURPOSE**

- 1.1 Sime Darby Plantation (SDP) employs a large number of migrant workers for its operations in Malaysia. We are committed to upholding the principles and obligations defined in our Human Rights Charter (HRC) for the ethical and responsible hiring of workers.
- 1.2 This Responsible Recruitment Procedure outlines the steps taken to ensure there is/are:
- (a) no forced or bonded labour or human trafficking
  - (b) no debt bondage in any form, including due to the charging of recruitment fees and related costs<sup>1</sup>
  - (d) clear and transparent terms and conditions of employment
  - (e) no withholding of passports or personal documents
  - (f) non-discriminatory practices in the recruitment process

This approach respects the rights of workers through the provision of fair and beneficial hiring and working conditions.

Our plan of action includes conducting regular due diligence to identify and mitigate potential human rights impacts for migrant workers. To facilitate this, grievance channels are established to allow workers to express their concerns or grievances regarding the recruitment process or any other issue, and mechanisms are implemented to provide remedies.

## **2. SCOPE**

This procedure is to be applied in relation to the selection and recruitment of migrant workers for our Malaysian operations, including for team members involved with the hiring process, recruitment agents, and their affiliates.

We require our counterparties<sup>2</sup>, including but not limited to vendors / contractors, who employ workers to work in our premises / sites, to have similar commitments within their own business practices. We are committed to working with our business partners<sup>3</sup>, to use our leverage and encourage them to uphold the commitment to human rights as outlined in our Human Rights Charter. This requirement is socialized through briefings, trainings and commitment statements in the Vendor Integrity Pledge and Vendor Code of Business Conduct.

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<sup>1</sup> As defined in the ILO General principles and operational guidelines for fair recruitment and Definition of recruitment fees and related costs

<sup>2</sup> Joint Ventures (controlling interest), Consultants, agents, contractors, and goods/service providers of the Group who have direct dealings with the Group.

<sup>3</sup> Any party with which the Group has a commercial relationship with but is not in a position to exercise a significant or controlling influence over, such as customers, Joint Ventures (non-controlling interest) and business alliances.



### **3.0 GENERAL PRINCIPLES**

#### **3.1. Direct Hire**

The Workforce Management Unit (WMU) of SDP shall be responsible for the direct selection and recruitment of migrant workers in their countries of origin. This includes communicating information regarding job requirements and available positions to applicants through awareness campaigns and direct interviews.

The information made available to applicants during the interview session include:

1. job requirements - description of tasks, occupational safety and health
2. terms and conditions of employment (e.g., wages, work hours, leave, voluntary overtime, benefits, insurance etc.)
3. SDP policy relating to the coverage of all recruitment-related fees and expenses.
4. accessibility of channels for grievances

In addition, applicants shall be asked whether they have encountered any instances of irresponsible conduct, deceptive practices, or intimidation by any party. If unethical conduct is discovered, severe actions and, where required, a remedial approach will be taken.

#### **3.2. Working with Recruitment Agents**

When it is necessary to use the services of recruitment agents in countries of origin, SDP shall enter into business partnership agreements with selected agents to ensure that the processes they manage adhere to the ethical and transparent standards that SDP requires. Breaches of these standards will result in severe consequences. Relevant terms and conditions outlining these commitments have been defined between SDP and the recruitment agent (vendor).

##### **a) Open tender**

SDP shall select Recruitment Agents through an open tender process to maintain transparency in the selection process. A request for tender submissions shall be published on SDP's website and, if required, in major publications. Recruitment agents shall be contracted in accordance with the Group Procurement Policy and Authorities (GPPA) of SDP and shall be registered through the Online Vendor Registration (OVR) system.

## **b) Due Diligence and Appointment of Recruitment Agents**

A prerequisite for the tender process shall be that SDP undertakes due diligence on the recruitment agents. It is mandatory that all agents appointed possess valid licenses in their respective countries of origin and have established records of providing services in a way that is credible, while complying with legal and human rights requirements.

As part of assessing the recruitment agents' understanding of SDP's ethical recruitment policies, standards, and practices, the shortlisted recruitment agents are additionally required to complete a Self-Assessment Questionnaire (SAQ) on the ILO Forced Labour Indicators.

Based on the SAQ score, SDP shall conduct an audit and provide a report outlining gaps and areas for improvement. Agents are then obliged to respond with an action plan within an agreed timeline for final selection by SDP.

SDP shall subsequently require recruitment agents that have been selected to enter into a Service Level Agreement (SLA) that outlines the requirements regarding ethical recruitment.

## **c) Capacity Building and Mentoring**

Throughout the term of the agreement, recruitment agents will be involved in ongoing training, awareness-raising, and compliance to SDP's Responsible Recruitment Procedure. These sessions will occur at least twice a year and will encompass the following topics:

- Overview of ILO Forced Labour Indicators
- Principles of ethical and responsible recruitment
- Prohibition of recruitment fee charging
- Prohibition of passport and personal document withholding
- Assessing the gaps and developing a plan for Corrective Action

Recruitment agents and recruiters may also provide SDP with constructive, supportive, open, and transparent feedback during these sessions in order streamline business processes and resolve any issues or challenges that may arise.

## **d) Monitoring**

The performance of recruitment agents is monitored and assessed by SDP through:

- a) Key Performance Indicators (KPI) according to the SLA.

Recruitment agents that fail to meet the set KPI or the agreed SLA with SDP on a consistent basis may be suspended from performing their current contracts for a specified time period, as determined by SDP. Depending on the severity of the failures, the recruitment agents may be blacklisted<sup>4</sup>.

<sup>4</sup> Suspension and blacklisting of recruitment agents shall be guided by GPPA 3.5.5 and detailed process of suspending and blacklisting of vendors, situations, reasons, triggers, indicators and the required supporting evidences to suspend and/or blacklist the vendors shall be guided by GPPA Appendix R – Suspension and Blacklisting of Vendor

b) Compliance with requirements of the Responsible Recruitment Procedure.

Recruitment agents are subject to ongoing monitoring and annual evaluation by SDP, covering key elements such as:

- no collection of recruitment fees
- no withholding of passports and personal documents

### **3.3. No charging of recruitment fees**

SDP does not commission nor permit any third party to collect recruitment fees and/or other charges from candidates as a condition of employment. SDP shall pay for all recruitment-related costs from the point of provisional offer of employment and acceptance by the worker, up until the point of repatriation, upon completion of contract.

SDP shall pay for recruitment-related costs as stated in the ILO General principles and operational guidelines for fair recruitment.

Workers shall not be required to pay any upfront recruitment fees or expenses. However, workers may incur the following costs, which are reimbursable by SDP prior to departure from countries of origin:

- passports or other identification costs incurred solely for the purpose of SDP's recruitment
- transportation, food, and lodging - during the SDP recruitment process

Any costs incurred for worker recruitment in the source country must be borne by the recruiting agents.

SDP shall pay the costs in advance or reimburse the recruitment agents in accordance with the SLA.

These expenditures shall not be deducted from wages or imposed as a penalty on workers.

If workers claim to have paid any recruitment-related spending, recruitment agents shall be accountable for reimbursing them.

The accountability of the agents and their responsibility to reimburse workers shall be included in the contractual service level agreement between SDP and the recruitment agent.

Workers can report any recruitment fees incurred by them to SDP, and/or recruitment agents:

- prior to departure in source countries
- after arrival during the induction process
- through SDP's grievance procedures

### **3.4. Transparent terms and conditions of employments in Contracts**

During the recruitment at source country, workers shall be provided with a briefing covering key aspects of the job to ensure workers have understood and agreed to the terms and conditions of work including, calculation and payment of wages, work hours, benefits, housing, recruitment processes/costs and other provisions.

Briefings are to be conducted by WMU, aided by presentations that are translated into the local language of the source country. In addition, videos showing the work and environment in palm oil plantations are also made available in the respective local language. Where necessary, a translator will be present to ensure information shared is clear and workers fully understand and are aware of the job offer. They shall also have the opportunity to ask questions.

Employment contracts stipulating the terms and conditions of employment shall be provided to the worker in the source country. The contract shall outline wages, work hours benefits, leave, insurance/medical benefits, termination terms and other matters in accordance with the Malaysia Employment Act 1955, Sarawak Labour Ordinance 1952, Sabah Labour Ordinance 1950 and the applicable Collective Bargaining Agreements<sup>4</sup>. This contract is subject to workers passing their medical examination and other statutory requirements in Malaysia.

Upon arrival in Malaysia, workers shall be given an addendum stating their place of work and other terms and conditions that were shared in the letter provided at the source country remains unchanged.

Before workers sign, written contracts are translated into their native dialects or languages and explained to them. It is imperative that workers give free and informed consent to the contract. No worker shall be coerced or threatened into doing so. Each worker shall be given a duly signed copy of the contract for their personal records, while SDP shall retain an additional copy.

### **3.5. No withholding of passports or personal documents**

The Agent shall obtain the workers' written consent and provide a comprehensive explanation of the processing requirements and timeframe prior to requesting their passports and identity documents for the purpose of processing permits and visas. The Agent is responsible for ensuring that the Workers' passports and identity documents are returned to them prior to departure to Malaysia or upon completion of document processing. The Agent shall not withhold and/or retain the passports and identification documents of workers, except while processing work permits and visas.

Work permits are to be processed by the Workforce Management Unit. Passports or other forms of identification documents are to be collected solely for the purpose of processing official documents.

After being issued a work permit, workers shall be allowed to keep their personal passports. Secure lockers shall be provided within their accommodations for such purposes.

### **3.6 Grievance Channels**

SDP's grievance channels shall be made available to potential workers at the source country as outlined below:

- SDP Whistleblowing
  - Toll free number in Malaysia: 1 800 22 3388 and Indonesia: 007 8036 01 5252

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<sup>4</sup> There is no Collective Bargaining Agreement in Sarawak – the Sarawak Labour Ordinance 1952 shall apply.





- Email: [whistleblowing@simedarbyplantation.com](mailto:whistleblowing@simedarbyplantation.com)
- Suara Kami Helpline
  - Toll free in Malaysia 1800 818771
  - SMS 01130116031
  - Facebook messenger

Workers shall have the choice of using the channels to inquire about recruitment-related matters and report instances of intimidation, deceptive practices (such as the use of sub-agents, intermediaries, or middlemen), or payment of recruitment fees.

#### **4. PROCESS OWNERS**

- 4.1. Workforce Management Unit
- 4.2. Group Sustainability

#### **5. REFERENCE**

- 5.1. This Procedure recognises the corporate responsibility to respect human rights according to the UN Guiding Principles of Business and Human Rights and Responsible Business Alliance Responsible Recruitment Due Diligence Toolkit.
- 5.2. SDP's approach is guided by and upholds the ILO Forced Labour Convention, 1930, ILO Migration for Employment Convention (Revised), 1949, Private Employment Agencies Convention, 1997 (no. 181), ILO Instruments on Migrant Workers (Conventions Nos 97 and 143 and Recommendations Nos 86 and 151) The Dhaka Principles as well as national legislations including but not limited to the UK Modern Slavery Act 2015.
- 5.3. This procedure may be read together with the SOP on Foreign Worker Management as well as other relevant operating procedures for foreign worker management.